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SUBJECT: Phoenix TV in the Mainland - Self Censorship or Just  
Catering to Local Tastes?

Ref: OSC Media Aid Report - CPF20060302509001

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11. (SBU) Summary: So how's Phoenix TV doing in China? How much has it expanded its coverage in China over the last fifteen years? Is it on its way to becoming the Chinese-language CNN (or FOX)? How much independence can it realistically aspire to? Of course, it all depends whom you talk with about Phoenix's present and future. Editorial staff from Hong Kong-based Phoenix told us that the network now delivers news and entertainment to an audience of 150 million on the mainland. One employee who spoke with us privately said that the network censors itself to expand and preserve access to the mainland market, while another, perhaps a bit disingenuously in terms of explaining how the company may "tinker" a bit with the news, said that the company merely edits its coverage to satisfy the sensibilities of its audience. Despite Phoenix's efforts to claim non-mainland identity and non-mainland direction, there is much to question about its independence and whether it has had an impact on news media in China. End Summary.

Penetrating the China Market  
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12. (SBU) Phoenix TV currently reaches approximately 150 million viewers in mainland China, according to information provided by the network. Helen Gai (Gai Huixia), deputy director of Phoenix's General Editorial Department, explained that their mainland viewers were mainly well-educated middle class along with elite government officials. A survey by an outside firm cited in Phoenix's promotional materials claimed that 28% of Phoenix's mainland viewers had a college education or post-graduate education, compared to 13.6% of viewers surveyed overall. In addition, 47% of the households tuning into Phoenix InfoNews earned over 3,000 RMB monthly, compared to 40% overall. Gai also told us that the network reaches some of the country's most senior leaders, claiming that Phoenix TV is specially installed in hotel rooms for certain leaders when they travel overseas.

13. (SBU) However, Phoenix's mainland distribution is still restricted by its "landing rights," which were negotiated with the mainland authorities. As reported in the Open Source Center Media Aid report on Phoenix (ref), the network's landing rights are currently limited to Guangdong Province. Hotels rated three stars and higher can also receive satellite programs from approved foreign media such as Phoenix. Offices and residential buildings catering to expatriates can receive such broadcasts. In addition, many

viewers in the mainland receive Phoenix TV broadcasts with illegal satellite dishes. (Note: the OSC report is available on ConGen Guangzhou's blog - at [www.intelink.gov/communities/state/southchina sez/](http://www.intelink.gov/communities/state/southchina sez/). End note.)

#### Self Censorship and Satisfying the Authorities

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14. (SBU) Another employee from Phoenix's editorial staff who spoke with us separately explained that although Phoenix promotes itself as an independent media source, its internal editorial guidance restricts reporting on sensitive international issues for China. He said Phoenix journalists are expected to be very careful in their reporting on Taiwan and new journalists are given special training on how to report on cross-straits issues. Junior editors need to clear stories with senior editors who sometimes need another level of clearance. He told us Phoenix's reports cannot refer to Ma Ying-jeou as "president" and reports must always refer to mainland China and Taiwan, never just China and Taiwan. Similarly, when reporting on the Falun Gong, Phoenix reporters are not allowed to show the Falun Gong logo.

15. (SBU) For a recent example of this kind of self-censorship, the employee pointed to protests last year in France that disrupted the Olympic Torch's relay and counter protests in China targeting Carrefour stores. He said some Phoenix reporters felt this was newsworthy and deserved ongoing coverage. But senior editors, who were concerned that repeatedly broadcasting certain images "would enrage young people" and possibly lead to instability, decided to restrict coverage.

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16. (SBU) The employee also said that because Phoenix is seeking permission to expand its landing rights to new provinces, it self-censors critical reports on local officials. He said officials offended by reports contact Phoenix executives, who in turn send internal notes telling Phoenix staff to pull the story and not run it again.

17. (SBU) Phoenix's efforts to self-censor are sometimes made more challenging because, unlike state media, Phoenix does not get explicit government guidance beforehand on how to run a story, according to the editorial employee. He indicated that Phoenix editors make their own assessments based on their perceptions of mainland sensibilities (and perhaps a bit of nudging from irate or disaffected local officials). In addition, if Phoenix goes too far, it risks its existing access to the mainland market.

18. (SBU) However, there are those at Phoenix who claim a greater degree of editorial and news coverage autonomy. Helen Gai and her boss, General Editorial Department Director Pan Hongxing, rejected the notion that Phoenix is under pressure to self-censor and proudly described its editorial decision making as independent. (Comment: Gai and Pan spoke with us openly as representative of Phoenix TV, which likely explains their different take on the network's editorial philosophy. End comment.) They cited Phoenix's recent decision to broadcast the entirety of President Obama's inaugural address as an example. When asked why programming on cross-Strait issues adhered so closely to Beijing's line, Pan replied that Phoenix's content represents the values system of Chinese worldwide, noting that most Chinese globally want Taiwan unification with the mainland. He pointed out that Phoenix had reported a Taiwan perspective before, including broadcasts of former Taiwan leader Chen Shui-bian delivering speeches. He also indicated that reporting Beijing's line on Taiwan reunification makes good business sense - especially if, like Phoenix, you're trying to consolidate viewership on the mainland in competition with CCTV.

#### Accentuating a Non-Mainland Identity

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19. (SBU) Despite the fact that the vast majority of its audience is mainland-based, Phoenix seems to emphasize its non-mainland identity in its choice of anchors and the language used in reporting. Gai pointed out that Phoenix is the only news broadcaster that has

mainland, Hong Kong and Taiwan staff working together. Most of Phoenix's InfoNews anchors are from Taiwan. The editorial employee, who spoke with us separately, pointed out that Phoenix often uses employees from Taiwan for voiceovers as well. He also said that Phoenix reporters cannot use certain mainland vocabulary and instead try to use language that resonates more with Hong Kong and Taiwan audiences. In addition, the network uses traditional Chinese characters instead of simplified versions used in the mainland.

¶10. (SBU) However, the employee commented, despite all this, Phoenix InfoNews is not taken seriously among Hong Kong residents, some of whom see Phoenix as a mainland mouthpiece and jokingly refer to it as a version of CCTV for Hong Kongers. Phoenix's impartiality meets similar skepticism when its news crews have gone to Taiwan to report. The employee said they had met with protests by supporters of the independence-leaning Democratic People's Party.

¶11. (SBU) Even though it devotes considerable airtime and resources to cross-strait affairs, Phoenix is currently not available in Taiwan. Gai explained that the Chen Shui-bian administration blocked Phoenix from broadcasting to Taiwan, but with the new Ma administration and improved cross-strait ties, Phoenix was again seeking permission to broadcast to Taiwan. Its application has not yet been approved. Gai suspects that Taiwan broadcaster TVBS had blocked the application to freeze out a possible new rival.

¶12. (SBU) Pan commented that Phoenix is a manifestation of "Chinese" (huaren) soft power - but not necessarily China's soft power. According to Pan, Phoenix stresses Chinese language and cultural pride. He feels that Phoenix is popular on the mainland and welcomed by the social elites because it pursues this mission.

Looking Ahead - the Chinese-Language CNN?  
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¶13. (SBU) Gai and Pan explained that Phoenix has ambitions to occupy a bigger role in the Chinese-speaking media world and become the

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"Chinese-language CNN" in the next five-to-ten years. They claimed that Phoenix had in the recent past developed a brand associated with "a right to know" (zhiquan) and "seeking truth from fact" (shishi qiushi). They asserted that Phoenix's coverage during the 9/11 attacks and the war in Iraq, with much more extensive coverage than mainland media, solidified this identity in the minds of their viewers. Some viewers are willing to rent hotel rooms just to be able to watch Phoenix's coverage of certain stories, according to Gai. She said viewers had told her that Phoenix was their "spiritual nourishment." Gai and Pan argued that U.S. officials had identified Phoenix as an effective tool for reaching Chinese-speaking audiences, citing former Secretary Powell's exclusive interview with Phoenix during a visit to Beijing to state that America did not support Taiwan independence.

¶14. (SBU) Pan and Gai claim that Phoenix has already had a strong impact on mainland media and journalism. With its 16 bureaus world-wide, Phoenix has extended the amount and variety of international news coverage for Chinese viewers, they said. In addition, Pan and Gai feel that Phoenix has contributed to the "marketization" of Chinese media, pointing out that all media enterprises-including CCTV-now need to focus on the bottom line. Phoenix claims to get 90% of its revenues from advertising and they feel they have been successful at developing interesting programming and a loyal audience. Phoenix believes its success in competing in the marketplace has inspired imitators and rivals such as Hunan TV and Hainan TV, mainland broadcasters that are provincial in origin but have expanded their reach beyond their immediate region in China to garner a wider following. (Comment: Notwithstanding Pan and Gai's claims, there are other factors that likely played a more critical role in the marketization of Chinese media, not least of all Party and central government policy decisions to pursue such a model. End comment.)

¶15. (SBU) Pan and Gai expressed concern about future competition from the mainland media outlets, especially a CCTV "Chinese CNN." The editorial employee argued that regional imitators on the

mainland would also be a threat, citing Shanghai's DongFang WeiShi as well as broadcasters in Macau and Shenzhen. Pan and Gai were confident that Phoenix could play to its unique position to stay ahead. The editorial employee, however, was more pessimistic, saying that since big events like 9/11 and the war in Iraq, Phoenix seemed to have become more conservative, less willing to do more independent reporting and risk ad revenues. Though Phoenix wants to raise its profile overseas, he wondered how Phoenix would look when seen to be self-censoring on sensitive international issues.

¶16. (SBU) Comment: Despite Gai and Pan's comments, we lean toward the views of the editorial employee who spoke with us privately. Phoenix's success in China is likely due largely to the "windmill" or weatherman effect - it knows which way the wind is blowing on an issue and it can adjust the mill's spin accordingly. Self-censorship is the prudent way out. And self-censorship really is the only way to expand landing rights. End comment.

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